

Exhibit 20

Excerpts of July 14, 2014 R. Cline Deposition Transcript

<p style="text-align: right;">Page 1</p> <p>1 IN THE UNITED STATES BANKRUPTCY COURT 2 FOR THE EASTERN DISTRICT OF MICHIGAN 3 4 5 6 In Re:) Chapter 9 7 CITY of DETROIT, MICHIGAN,) Case No. 13-53846 8 Debtor.) Hon. Steven Rhodes 9 10 11 12 The Videotaped Deposition of ROBERT CLINE, 13 Taken at Jones Day 14 51 Louisiana Avenue, NW 15 Washington, DC 16 Commencing at 9:05 a.m. 17 Monday July 14, 2014, 18 Before Marjorie Peters, RMR, CRR 19 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 3</p> <p>1 For Creditor National Public Finance Guarantee Corp. 2 3 JEFFREY S. BEELAERT, ESQ. 4 SIDLEY AUSTIN, LLP 5 1501 K Street, N.W. 6 Washington D.C. 20005 7 8 For Creditor Financial Guaranty Insurance Company: 9 PRAVIN R. PATEL, ESQ. 10 WEIL GOTSHAL & MANGES, LLP 11 1395 Brickell Avenue 12 Suite 1200 13 Miami, Florida 33131 14 15 Also Appearing: 16 Jonathan Perry, Videographer 17 Marguerette Hosbach, Ernst & Young, via telephone 18 19 20 21 22 23 24 25</p>
<p style="text-align: right;">Page 2</p> <p>1 APPEARANCES: 2 For the Debtor City of Detroit and the witness: 3 GEOFFREY S. STEWART, ESQ., 4 SARAH A. HUNGER, ESQ., 5 CHRISTOPHER DIPOMPEO, ESQ. 6 JONES DAY 7 51 Louisiana Avenue, N.W. 8 Washington, D.C. 20001-2113 9 10 11 For the Official Committee of Retirees: 12 DAN BARNOWSKI, ESQ. 13 DENTONS US, LLP 14 1301 K Street, N.W. 15 Suite 600, East Tower 16 Washington, D.C. 20005-3364 17 18 For Syncora Guarantee, Inc., and Syncora Capital 19 Assurance, Inc. 20 21 DOUGLAS G. SMITH, P.C. 22 KIRKLAND & ELLIS, LLP 23 300 North LaSalle 24 Chicago, Illinois 60654 25 26 For Creditor Assured Guaranty: 27 LISA SCHAPIRA, ESQ. 28 CHADBOURNE & PARKE, LLP 29 30 Rockefeller Plaza 30 New York, New York 10112 31 32 33 34 35</p>	<p style="text-align: right;">Page 4</p> <p>1 INDEX 2 WITNESS PAGE 3 Robert Cline 6 4 5 EXHIBITS PAGE 6 Exhibit No. 1 112 7 Exhibit No. 2 149 8 Exhibit No. 3 164 9 Exhibit No. 4 179 10 Exhibit No. 5 278 11 Exhibit No. 6 280 12 Exhibit No. 7 281 13 Exhibit No. 8 285 14 Exhibit No. 9 292 15 16 17 18 19 20 21 22 23 24 25</p>

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2 Q. And are there ways in which your revenue

3 forecasts differ from Mr. Scorsone's?

4 **A. They differ in terms of the results.**

5 Q. And could you explain how -- in what ways they

6 differ in terms of the results?

7 **A. When we looked at his revenue estimates that**

8 **were made available to us about late spring, perhaps June**

9 **of 2013, we noticed that his current forecast, or the**

10 **most recent that we saw, had revenue estimates that were**

11 **higher than the actuals that were coming in at that point**

12 **in time.**

13 Q. And so, Mr. Scorsone's revenue estimates are

14 generally higher than the ones that you've provided in

15 this case, correct?

16 MR. STEWART: Objection.

17 THE WITNESS: I don't -- I don't know.

18 BY MR. SMITH:

19 Q. Mr. Scorsone, is he a Professor at Michigan

20 State University?

21 **A. I believe he is.**

22 Q. Does he have any -- he works with the State in

23 some capacity; is that correct?

24 **A. I don't know the answer to that question.**

25 Q. I'll probably mispronounce this name, but

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1 R. CLINE

2 Shavi Sarna, do you know who that is?

3 **A. I do.**

4 Q. Do you work with that person?

5 **A. He was one of the members -- he is one of the**

6 **members of the EY team in Detroit.**

7 Q. And what has been his role?

8 **A. He has provided us with a lot of the**

9 **information that had been prepared by the EY team in**

10 **Detroit.**

11 Q. Okay. So, you have been working with Shavi

12 Sarna, and Mr. Malhotra has been working with Shavi

13 Sarna; is that fair?

14 **A. I believe that's correct.**

15 Q. Ernst & Young hasn't prepared a balance sheet

16 for the City of Detroit as far as you're aware, correct?

17 **A. I -- not that I'm aware of.**

18 Q. Why aren't you doing the property tax

19 forecasting or the revenue sharing forecasting?

20 **A. I supervised the property tax forecasting, the**

21 **revenue forecasting, and Caroline Sallee did the heavy**

22 **lifting for the modeling.**

23 Q. Okay. And why aren't you testifying as the

24 expert instead of Miss Sallee with respect to those

25 matters?

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2 **A. I don't know the answer to that question.**

3 Q. Okay. Do you know why you -- why aren't you

4 forecasting fees and other revenues from the City?

5 **A. We were not asked to do that.**

6 Q. Do you have any idea why you're not -- you

7 weren't asked to do forecasting for fees or other

8 revenues from the City?

9 **A. I do not.**

10 Q. Other than the income tax, corporate tax,

11 utility users tax, wagering tax and property tax, are

12 there any other taxes collected by the City?

13 **A. There is another revenue source that we were**

14 **responsible for.**

15 Q. What's that?

16 **A. That was State revenue sharing payments, the**

17 **forecast of State revenue sharing payments to the City of**

18 **Detroit.**

19 **(Off the record.)**

20 BY MR. SMITH:

21 Q. Do you have any idea about what fees the City

22 collects?

23 **A. I do not.**

24 Q. In your view, what are the biggest sources of

25 untapped revenue for the City?

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2 MR. STEWART: Objection.

3 THE WITNESS: I don't have an opinion on

4 that.

5 BY MR. SMITH:

6 Q. You weren't asked to identify potentially

7 untapped sources of revenue for the City, correct?

8 **A. Correct.**

9 Q. You weren't asked to identify ways in which

10 the City could increase its revenues through taxes,

11 correct?

12 **A. We were not asked to do that.**

13 Q. Do you have any idea why you weren't asked to

14 do that?

15 **A. I do not.**

16 Q. Don't you think it's something the City would

17 want to do to increase revenues through the tax

18 mechanism?

19 MR. STEWART: Objection.

20 THE WITNESS: I have no comment on that.

21 BY MR. SMITH:

22 Q. Well, I mean, just as a matter of common

23 sense, Detroit wants to increase its revenues, correct?

24 **A. I don't know the answer to that question.**

25 Q. Okay. So, nobody from the City or the

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<p style="text-align: right;">Page 57</p> <p>1 R. CLINE</p> <p>2 emergency manager's office has communicated any desire to</p> <p>3 increase revenues to you, correct?</p> <p>4 A. No one has communicated that to me personally,</p> <p>5 no.</p> <p>6 Q. No one from the City or the emergency manager</p> <p>7 has ever sought out your expertise to try to help the</p> <p>8 City increase its revenues so it can pay more to the</p> <p>9 creditors, correct?</p> <p>10 MR. STEWART: Objection.</p> <p>11 THE WITNESS: No one has asked us to do tax</p> <p>12 policy analysis of alternatives for the City.</p> <p>13 BY MR. SMITH:</p> <p>14 Q. So that's correct? I mean, I'm just trying to</p> <p>15 get a yes or no that -- nobody from the City has reached</p> <p>16 out to you to try to get your expertise to increase</p> <p>17 revenues for the City so it can pay more to its</p> <p>18 creditors, correct?</p> <p>19 MR. STEWART: Objection.</p> <p>20 THE WITNESS: The analysis that we did for</p> <p>21 the City, and summarized in the expert report, is</p> <p>22 what we were asked to do for the City.</p> <p>23 BY MR. SMITH:</p> <p>24 Q. Okay. So, nobody from the City or the</p> <p>25 emergency manager's office has reached out to you to get</p>	<p style="text-align: right;">Page 59</p> <p>1 R. CLINE</p> <p>2 THE WITNESS: As I believe I've said, we</p> <p>3 relied upon a number of other people for</p> <p>4 information that we used in our modeling exercise.</p> <p>5 BY MR. SMITH:</p> <p>6 Q. But you're not in a position to comment on the</p> <p>7 expertise of the people you relied on for information for</p> <p>8 your model, correct?</p> <p>9 A. No, I'm not.</p> <p>10 Q. Do you agree that some of the assumptions that</p> <p>11 you used for your model are based on expert judgments</p> <p>12 made by other third parties?</p> <p>13 A. Outside of the area of the population</p> <p>14 forecast, I believe we are responsible for the major</p> <p>15 assumptions in the model.</p> <p>16 Q. As far as the population forecast, though, you</p> <p>17 had to rely on expert judgments by individuals outside of</p> <p>18 Ernst & Young, correct?</p> <p>19 A. We relied upon the forecasts that were</p> <p>20 prepared by SEMCOG for the City of Detroit.</p> <p>21 Q. So the answer is correct, you did do that,</p> <p>22 relied on the expert judgment of a third party for the</p> <p>23 population forecast, correct?</p> <p>24 A. We relied upon the forecast that SEMCOG had</p> <p>25 prepared.</p>
<p style="text-align: right;">Page 58</p> <p>1 R. CLINE</p> <p>2 your expertise to try to help increase revenues for the</p> <p>3 City to pay the creditors more, correct?</p> <p>4 MR. STEWART: Objection.</p> <p>5 MR. SMITH: That's not something you were</p> <p>6 asked to do, correct?</p> <p>7 MR. STEWART: Objection.</p> <p>8 THE WITNESS: No one has contacted me to</p> <p>9 ask to do that type of analysis.</p> <p>10 BY MR. SMITH:</p> <p>11 Q. And as far as you're aware, nobody has</p> <p>12 contacted anybody at Ernst & Young to do that type of</p> <p>13 analysis, correct?</p> <p>14 A. I don't know the answer to that.</p> <p>15 Q. You can't identify anybody that's been asked</p> <p>16 to do that type of analysis to increase revenues for the</p> <p>17 City through tax policy or otherwise, correct?</p> <p>18 A. I just don't know if EY was asked to do that.</p> <p>19 Q. Sitting here today, you're not aware of any</p> <p>20 such request, correct?</p> <p>21 A. I don't know of any such requests.</p> <p>22 Q. Okay. Do you agree that the forecasts that</p> <p>23 Ernst & Young has performed rely on people with diverse</p> <p>24 expertise?</p> <p>25 MR. STEWART: Objection.</p>	<p style="text-align: right;">Page 60</p> <p>1 R. CLINE</p> <p>2 Q. And just so the record is clear, could you</p> <p>3 tell me what SEMCOG stands for?</p> <p>4 A. I believe it's the Southeast Michigan</p> <p>5 Organization of Governments? I'll have to check that to</p> <p>6 verify that.</p> <p>7 Q. Do you know whether that's a State entity or</p> <p>8 what kind of entity that is?</p> <p>9 A. I believe it's a regional entity that</p> <p>10 represents governments in that region of the state.</p> <p>11 Q. Have you updated your forecasts over time?</p> <p>12 A. We have.</p> <p>13 Q. Have you changed assumptions in your forecast</p> <p>14 over time?</p> <p>15 A. We have.</p> <p>16 Q. What assumptions in your forecast have changed</p> <p>17 over time?</p> <p>18 A. There are two areas. One, the starting points</p> <p>19 for actual revenue collections were updated continually</p> <p>20 as new information became available. So, in a sense, the</p> <p>21 starting point changed over time. Secondly, based upon</p> <p>22 actual revenue collection experience and changes in the</p> <p>23 state economic forecast, we altered some of the growth</p> <p>24 rate assumptions over time.</p> <p>25 Q. And when you say the starting point changed</p>

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